

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1017-03  
Bill No.: SCS for SB 317  
Subject: Housing; Manufactured Housing; Department of Economic Development  
Type: Original  
Date: February 12, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Manufactured Housing Fund	\$128,400	\$128,400	\$128,400
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$128,400</b>	<b>\$128,400</b>	<b>\$128,400</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>Local Government</b>	<b>\$0 to (unknown)</b>	<b>\$0 to (unknown)</b>	<b>\$0 to (unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

The **Department of Economic Development–Office of Public Counsel** assumes the proposal will have no fiscal impact on the agency.

Officials with the **Department of Elementary and Secondary Education** assume the proposal would have no effect on their agency, but note that there could be an increased cost at the school district (purchaser) level if modular units used as classrooms are required to meet higher construction standards. This would tend to pressure acquisition costs upward. The actual fiscal impact to school districts cannot be determined.

Officials from the **Department of Economic Development–Public Service Commission** assume the proposal would result in increased registration fees from manufactured/modular housing dealers of \$56,400 and from manufacturers of \$72,000. These figures are based on an increase from \$50 to \$200 in the dealer registration fee for 376 dealers, and an increase from \$250 to \$750 in the manufacturer registration fee for 144 manufacturers.

**Note:** These figures differ from the fiscal note for similar legislation from the prior session due to the inclusion of the increased fee for manufacturers. For that proposal, **Oversight** was unable to provide an estimate for the increased revenue resulting from the manufacturer registration fee.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>MANUFACTURED HOUSING FUND</b>			
Income–PSC			
Increased Registration Fees	<u><b>\$128,400</b></u>	<u><b>\$128,400</b></u>	<u><b>\$128,400</b></u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
Costs–Local School Districts	<u><b>\$0 to</b></u>	<u><b>\$0 to</b></u>	<u><b>\$0 to</b></u>
Purchase of Higher Quality Units	<u><b>(unknown)</b></u>	<u><b>(unknown)</b></u>	<u><b>(unknown)</b></u>

### FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact on small businesses operating as manufactured or modular home dealers and manufacturers.

## DESCRIPTION

This act exempts used manufactured homes and certain used modular units from complying with the manufactured housing chapter. Under the act, no person shall sell a new modular unit or used modular unit used for educational purposes without bearing a seal signifying that the unit complies with the code. No person shall alter any new manufactured home, new modular unit or used modular unit used for educational purposes if such alteration would violate the code. It is a misdemeanor to rent, lease, sell, or offer to sell a new manufactured home, new modular unit, or used modular unit used for educational purposes that does not bear a seal. It is also a misdemeanor to fail to correct a code violation within 90 days on a new manufactured home, new modular unit, or a used modular unit used for educational purposes.

This act raises the dealer's initial registration fee to be filed with the Public Service Commission from \$50 to \$200 and the dealer's renewal fee is raised from \$50 to \$200. The manufacturer's initial registration fee is raised from \$250 to \$750 and the renewal fee for a manufacturer is raised from \$200 to \$750. This act also authorizes the Public Service Commission to suspend or revoke a manufacturer's or dealer's license if that entity fails to pay necessary fees and assessments.

The act removes the requirement that the dealer deduct an amount equal to the actual cost of the setup of the home from the purchase price, if the purchaser waives such service.

This act is similar to SB 849 (2000).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Department of Economic Development  
Public Service Commission  
Office of Public Counsel



Jeanne Jarrett, CPA  
Director  
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